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FISCAL IMPACT STATEMENT

LS 6883

BILL NUMBER: HB 1220

NOTE PREPARED: Dec 31, 2005

BILL AMENDED:

SUBJECT: Local Engineering and Professional Investigation Funds.

FIRST AUTHOR: Rep. Reske

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill contains the following provisions:

Local Engineering: It establishes the Local Engineering Assistance Fund and makes appropriations from the Motor Vehicle Highway Account for grant-in-aid subsidies to counties for the salaries of full-time county highway engineers and for grant-in-aid subsidies to counties for the salaries of county highway supervisors that attain specified educational achievements with respect to the Road Scholar Program offered by the local technical assistance program.

The bill makes an appropriation from the Motor Vehicle Highway Account for grant-in-aid subsidies to municipalities for the salaries of municipal engineers who are registered professional engineers. It also makes appropriations from the Motor Vehicle Highway Account for grant-in-aid subsidies to municipalities for the salaries of individuals who have primary responsibility for road and street maintenance that attain specified educational achievements with respect to the Road Scholar Program offered by the local technical assistance program.

The bill also eliminates the County Highway Engineer Fund, and transfers any remaining money to the County Highway Engineer Account of the Local Engineering Assistance Fund.

Cumulative Bridge Funds: The bill provides that a county fiscal body may transfer money in a cumulative bridge fund to another fund only with the approval of the county executive.

Professional Investigative Funds: The bill establishes fees to be assessed against registered: (1) architects and

landscape architects; (2) land surveyors and land surveyors in training; and (3) professional engineers and engineering interns; at the time of issuance and renewal of certificates of registration, and requires the fees to be deposited in the investigative funds for the respective professions.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues: *Professional Investigative Funds:* This provision creates investigative fund fees, that are in addition to the normal registration fees, to fund the investigations of registered: (1) architects and landscape architects; (2) land surveyors and land surveyors in training; and (3) professional engineers and engineering interns. The fees may be up to \$20 and are to be used for hiring staff to enforce the affected registration laws and investigate the registered professionals.

The Professional Licensing Agency reported that there were approximately 4,074 architect and landscape architect, 987 land surveyor and land surveyor in training, and 13,026 professional engineer and engineering intern current registrations as of September 2005. If all 18,087 registrations are renewed and a \$20 fee is paid for each renewal, nearly \$362,000 would be generated and placed in the respective investigative funds.

Both the surveyors and professional engineers will renew their registrations in July 2006. Architects and landscape architects will not renew their registrations until November 2007. Additional revenue would also be generated from initial registrations. The actual amount of revenue generated will depend on the level at which the fee is set and the number of registrations that are applied for or renewed.

Background Information: P.L.194-2005 created investigative funds for the Attorney General, along with the Board of Registered Architects & Landscape Architects, Board of Registration for Professional Engineers, and the Board of Registration for Land Surveyors to hire investigators and other employees to enforce the laws governing the boards' professionals.

Money in the investigative funds does not revert to the General Fund at the end of the fiscal year. However, any amount remaining over \$500,000 at the end of the fiscal year after all expenses are made must be reverted to the General Fund. This amount is dependent on the actual fees charged and the expenses created by additional staff hired. Current statute also provides that money in the funds is continually appropriated for use by the Attorney General and the Professional Licensing Agency.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Local Engineering:* This bill appropriates \$7.03 M annually from the Motor Vehicle Highway Account (MVHA) to the Local Engineering Assistance Fund (LEAF) for distribution to counties and cities for grants-in-aid. Following is a table which shows the positions involved, the amounts of the appropriations, the accounts to which the appropriations are made, timing of the appropriations, and the amount of the grant-in-aids which are available.

Annual Appropriations from MVHA to Local Engineering Assistance Fund.				
Position	Approp.	Account	Timing	Grant-in-Aid
County Engineers	\$3.22 M	County Highway Engineers	April	\$35,000*
County Highway Supervisors	\$1.38 M	County Highway Supervisors	April	\$15,000**
County Total	\$4.60 M			
City Traffic Engineers	\$1.05 M	Municipal Engineers	September	35,000
Municipal Street Supervisors	\$1.38 M	Municipal Street Supervisors	September	\$15,000***
City Total	\$2.43 M			
Total MVHA Appropriation	\$7.03 M			
* \$17,500 if an engineer is employed two counties jointly. ** \$7,500 if a county supervisor has attained the designation of road builder in the Road Scholar Program. *** \$7,500 if the municipal street supervisor has attained the designation of road builder in the Road Scholar Program.				

The dollar amounts in the table, above, correspond to the dollar amounts for January 2006. All amounts are to be annually adjusted by the Consumer Price Index for years after 2006.

Any balances in the County Highway Engineer Account and the County Highway Supervisor Account are to be returned to the counties' share of the MVHA to be distributed in January of the next year. Any balances in the Municipal Engineers Account and the Municipal Street Supervisors Account at the end of the year shall be returned to the cities' share of the MVHA to be distributed in January of the following year.

The bill also eliminates the County Highway Engineer Fund (CHEF), and transfers any remaining money in the CHEF to the County Highway Engineers Account of the LEAF. Appropriations to the CHEF have amounted to about \$920,000 annually.

While the total amount of MVHA funds to be distributed to counties and cities will not change, this proposal will designate part of the distribution for specific purposes. Consequently, there may be a shift in the distributions between units, depending upon the counties and cities that employ these people. Below is a table which shows the appropriations from the MVHA to counties, cities, and towns for the last three fiscal years.

Unit	FY 2003	FY 2004	FY 2005
County	\$183.2 M	\$209.5 M	\$209.3 M
Cities and Towns	\$ 86.3 M	\$ 98.7 M	\$ 98.5 M
Total	\$269.5 M	\$308.2 M	\$307.8 M

State Agencies Affected: Professional Licensing Agency; Attorney General.

Local Agencies Affected: Those counties and cities and eligible towns who qualify for the grants-in-aid.

Information Sources: Professional Licensing Agency.

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